

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2157 - SB 2410

March 18, 2022

SUMMARY OF BILL AS AMENDED (016089): Establishes an Institute of American Civics (Institute) at the University of Tennessee, Knoxville (UTK). Authorizes the Institute to hire faculty and staff, enroll students, develop and offer courses in new undergraduate major and minor programs, offer general education or honors courses, provide internships, hold events, and take other actions as deemed appropriate under the supervision of the Chancellor and President of UTK.

Requires the President of UTK, in consultation with the Governor, the Speaker of the Senate, and the Speaker of the House of Representatives, to appoint 13 initial members to serve on the Board of Fellows for the Institute by September 1, 2022. Establishes staggered terms for the members elected to the Board.

Requires the Board of Fellows, or a committee of the Board selected by the Board, to conduct a national search and transmit to the Chancellor of UTK a list of finalists for the position of Director by March 1, 2023. Requires the Chancellor of UTK to appoint the Director. Requires the appointed Director to provide an annual strategic plan for the Institute to the Chancellor, President and the Board of Trustees of UTK for review and approval by September 1, 2023, and annually thereafter. Requires the appointed Director to make all faculty and staff hiring decisions.

Establishes that funds appropriated to the Institute shall not supplant any existing state funding or donations and may only be used for direct operations of the Institute.

Requires the President of UTK to submit to the Governor, the Speaker of the Senate, and the Speaker of the House of Representatives and the Chairs of the Finance Committees of the Senate and House of Representatives a report regarding the Institute's operations such as the total amounts of funding received, current faculty, courses offered, enrollment numbers, the most recent strategic plan, programs and any community events. Requires the report to be submitted by October 1, 2023 and annually thereafter.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures - \$5,968,500/FY22-23

\$3,968,500/FY23-24 and Subsequent Years

The Governor's proposed budget for FY22-23, on pages A-33, recognizes state expenditures to the General Fund in the amount of \$4,000,000 recurring and \$2,000,000 non-recurring.

Assumptions:

- In order to effectuate the purposes of the Institute, UTK will need to develop courses and curriculum, conduct outreach to and recruit faculty and students, purchase furniture, equipment, and perform office space renovations.
- Based on information provided by UTK, the university anticipates hiring the following 56 positions with salaries and benefits totaling \$3,271,850:

<u>Position</u>	<u>Total Positions</u>	<u>Salary per Position</u>	<u>Benefits per Position</u>	<u>Total</u>
Director	1	\$ 200,000	\$ 70,000	\$ 270,000
Associate Director	2	\$ 125,000	\$ 43,750	\$ 337,500
Academic Coordinator	2	\$ 60,000	\$ 21,000	\$ 162,000
Outreach Coordinator	1	\$ 55,000	\$ 19,250	\$ 74,250
Admissions Coordinator	1	\$ 55,000	\$ 19,250	\$ 74,250
Business Manager	1	\$ 75,000	\$ 26,250	\$ 101,250
IT Support	1	\$ 90,000	\$ 31,500	\$ 121,500
Admin Specialist	1	\$ 40,000	\$ 14,000	\$ 54,000
TT Faculty	8	\$ 85,000	\$ 29,750	\$ 918,000
Instructors	4	\$ 65,000	\$ 22,750	\$ 351,000
Adjuncts	6	\$ 15,000	\$ -	\$ 90,000
Post-Docs	2	\$ 65,000	\$ 22,750	\$ 175,500
Research Associates	4	\$ 55,000	\$ 19,250	\$ 297,000
Graduate Assistants	6	\$ 18,000	\$ -	\$ 108,000
Undergraduate Student Workers	4	\$ 10,400	\$ -	\$ 41,600
Interns	12	\$ 8,000	\$ -	\$ 96,000
Total				\$ 3,271,850

- UTK anticipates additional recurring expenditures of \$696,650 for the following:

<u>Operating Expenditures</u>	<u>Amount</u>
Travel	\$ 30,000
Office Space (Rent & Utilities)	\$ 337,650
Graduate Assistant Tuition	\$ 84,000
Outreach/Seminars	\$ 100,000
Contractual	\$ 75,000
Commodities	\$ 45,000
Equipment	\$ 25,000
Total	\$ 696,650

- UTK anticipates the following one-time expenditures totaling \$2,000,000:

<u>One-Time Expenditures</u>	<u>Amount</u>
Faculty Recruiting Cost	\$ 40,000
Faculty Startup Packages	\$ 800,000
Curriculum Development	\$ 200,000
Non-credit outreach devt	\$ 75,000
Equipment	\$ 275,000
Furniture/Furnishings	\$ 235,000
Space Renovations	\$ 250,000
Outreach	\$ 75,000
Other	\$ 50,000
Total Expenditures	\$ 2,000,000

- Total state expenditures in FY22-23 are estimated to be \$5,968,500 (\$3,271,850 + \$696,650 + \$2,000,000).
- Total State expenditures in FY23-24 and subsequent years will be \$3,968,500 (\$3,271,850 + \$696,650).
- Members of the Board of Fellows are not compensated for time or reimbursed for travel.
- Enrollment numbers will increase for the American civics institute on the campus; however, overall enrollment numbers are not assumed to increase significantly for the UTK as a whole. Therefore, there will not be a significant increase in UTK tuition revenue.
- UTK is currently unable to provide a detailed breakdown of specific expenditures as many operating decisions will be made in the future by the Institute's Director, in consultation with the newly created Board of Fellows and President of UTK.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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